



Enabling a smarter,
safer, and more
connected future.

Sustainability Report
2023

12-Month Period Ending December 31, 2023
Publication Date: April 11, 2024

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About this Report

Cohu has evaluated its sustainability initiatives under SASB Standards, as recently amended by the International Sustainability Standards Board (ISSB) of the IFRS Foundation.¹ Based on a benchmarking evaluation of our peers, we align our disclosures to the SASB “Technology and Communications Sector – Semiconductor Standard.”² Under this definition, the Semiconductor industry includes companies that design or manufacture semiconductor devices, integrated circuits, their raw materials and components, or capital equipment. As a manufacturer of semiconductor capital equipment, we believe that this category is most appropriate for Cohu’s business. In addition, we include in our report various other environmental and social factors that we consider most relevant to our business, and also endeavor to align our disclosures to Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations.³ We have calculated our approximate greenhouse gas emissions using various publicly available conversion tools⁴ and as further described below.

This report covers Cohu’s principal global operating sites, comprising eleven (11) sites⁵ located in the United States, Europe and Asia, and including all manufacturing, and research and development sites. Regarding incidental sales and service offices, GHG Emissions were estimated based on the square footage of such sites. Water usage data was not available at such incidental sites, but we believe that such usage is immaterial to our overall water consumption. Unless otherwise noted, the figures provided below are for the calendar year 2023 and financial statistics and human capital information are for the fiscal year-ended December 30, 2023.

¹ See <https://www.sasb.org>.

² Version 2023-12.

³ As of October 12, 2023, TCFD announced that it had fulfilled its mandate and was disbanding. TCFD recommendations will now be monitored by the IFRS Foundation. IFRS’ S2 *Climate-related Disclosures* are very similar to TCFD recommendations and Cohu has opted to continue to reference and conform to TCFD for its 2023 report.

⁴ Based on the GHG Protocol, and published emissions factors available from the U.S. EPA, International Energy Association and the Carbon Footprint.

⁵ We had 10 principal operating sites during the 2022 reporting period, one manufacturing site (based on the acquisition of Equiptest Engineering in October 2023) was added for the 2023 reporting period. We also consumed incremental energy and water in construction of a new building in Laguna, Philippines during 2023.



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Introduction



Message from our CEO

I am pleased with the continued progress we made in the past year against our Corporate Sustainability Goals. We continued our focus on developing innovative solutions that enable a more habitable planet with the introduction of several new products: DI-Core™ AI Inspection software to improve yield, and reduce scrap, without compromising quality, Sense+™ system that eliminates the need for additional anechoic rooms on a customer's production floor and launched efficient factory automation features on our test handling equipment.

We increased our total usage of grid electricity derived from renewable sources to 32%, converted our Osaka, Japan manufacturing site to an energy provider that utilizes 100% renewable energy, and replaced air compressor equipment used in Poway, California with new energy-efficient equipment. Further, we committed a budget of \$1.2M⁶ for solar power generation projects at our two largest manufacturing facilities: Melaka, Malaysia, and Laguna, Philippines. In pursuit of supporting water conservation in the community we incorporated a Rainwater Harvesting System in our new manufacturing facility in Laguna, and a Deionized Water Recycling System in Poway.

We enhanced our TCFD disclosures, continued annual submission to CDP and broadened site-specific and geographic water, energy, and emissions disclosures. In February 2024, we committed to engage with the Science Based Targets initiative (SBTi)⁷ with the goal to develop near-term science-based emissions reduction targets.

Progress continued on our employee gender and ethnic diversity hiring. In the U.S. we hired a greater percentage who identify as from underrepresented communities. Our Board comprises of 25% female and 25% who identify themselves as ethnically/racially diverse, and in 2024 the Board endeavors to seek to further expand its diversity.

We maintained our stellar employee ethics and safety record. Our recordable incident rate was 67% lower than our industry benchmark.⁸ A Responsible Business Alliance (RBA) Audit was completed at our manufacturing site in Laguna, with no findings and we achieved RBA's highest rating of Platinum with a Validated Assessment Program (VAP) score of 200.

We conducted an anonymous global employee survey to monitor satisfaction, reaching an employee engagement score of 69% and a job satisfaction score of 76%. CoHu's Talent and Organizational Development department graduated 34 global leaders from our six-month Leadership Development Program, and initiated a global Emerging Leader Program with more than 200 participants, and we increased investment in global employee training by 11% year-over-year.

“ We invested \$9.1M in a new state-of-the-art energy-efficient manufacturing facility in Laguna, Philippines, and earlier this year committed to engage with the Science Based Targets initiative (SBTi) with the goal to develop near-term science-based emissions reduction targets. ”



Luis Müller
President and CEO

⁶ All uses of “M” means millions, “K” means thousands.

⁷ See <https://sciencebasedtargets.org>.

⁸ Latest published Industry benchmark of 1.2 (recordable incidents per 100 employees, per year) is based on 2022 U.S. Bureau of Labor Statistics Injury, Illness and Fatality statistics for our industry (NAICS Code 334515).

About CoHu

We deliver leading-edge solutions to enable a smarter, safer, and more connected future.

Who we are

Cohu is a global technology leader supplying test, automation, inspection & metrology products and services to the semiconductor industry. CoHu's differentiated and broad product portfolio enables optimized yield and productivity, accelerating customers' manufacturing time-to-market.

Innovation

We provide enabling capability and technology to customers that deliver connectivity around the globe, autonomous driving to our cities, advanced medical equipment to improve lives, robotic automation to accelerate productivity, and much more. Our employees and teams around the world are challenged every day to design, build and deliver technical and business solutions to meet our customers' requirements.

Industry Leaders

Cohu is the leading supplier of semiconductor test handlers and contactors, and a growing provider of automated test equipment, inspection & metrology, and data analytics software to optimize semiconductor manufacturing yield and productivity.



1947
Founded



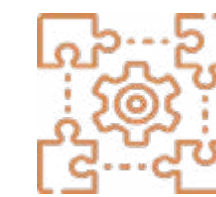
Poway, CA
Headquarters



3,100+
Employees
Worldwide



28
Locations
Worldwide



24,700+
Equipment
Installed Base



\$636M
FY2023
Revenue

Our Core Values

They embody our guiding philosophy, that we communicate with pride, both internally and externally.

Innovation

We innovate together, generating new ideas, fueling superior products, services, and processes.

Continuous Improvement

We place significance on creating a culture of continuous improvement; constantly pursuing growth.


Quality

We take pride in designing quality into our products and services; maintaining rigorous standards and commitment to continual improvement in everything that we do.

Integrity

We conduct ourselves in an honest, fair, trustworthy, and ethical manner in all situations.

2023 Highlights

- 
- Invested \$9.1M in a new state-of-the-art energy-efficient manufacturing facility in Laguna, Philippines
 - Committed \$1.2M for 2024 solar power generation projects at our two largest manufacturing facilities in Laguna, Philippines, and Melaka, Malaysia
 - Invested in energy-efficient air compressor equipment in Poway, California
 - Through our remote-assisted reality customer support system avoided 174,000 km in employee travel
 - Continued to enhance our disclosures with more comprehensive disclosures aligned with TCFD recommendations, continued annual submission to CDP and broadened site-specific & geographic water, energy, and emissions disclosures
 - Hired a greater percentage of U.S. employees who identify as from underrepresented communities
 - Returned \$4.7M, approximately 4.5% of profits⁹ globally to employees
 - Increased employee global training by 11% year-over-year
 - Conducted worldwide employee engagement survey to monitor satisfaction
 - Continued excellent employee safety record, 67% lower than our industry benchmark¹⁰
 - Listed in “America’s Most Responsible Companies 2024” by Newsweek¹¹

⁹ Our profit-sharing plan is based on non-GAAP Pre-Tax Income metrics.

¹⁰ See note 8 above.

¹¹ See <https://www.newsweek.com/rankings/americas-most-responsible-companies-2024>.

Progress on 2023 Sustainability Goals



Climate Change

Safety

Diversity, Equity, and Inclusion

Innovation

Goals

- Review strategies to reduce GHG emissions at our principal operating sites
- Investigate renewable electricity energy sources on-site and off-site
- Invest in more energy-efficient facility infrastructure technology
- Investigate and deploy water use reduction measures where feasible
- Implement best practices in waste management to increase the amount recycled

- Strive for an injury-free workplace at all CoHu facilities and, in aggregate across our sites

- Maintain excellent record of diversity among U.S. employees
- Continue to increase female representative in the global workforce and our management team

- R&D investment at least 35% of total Operating Expenses
- Protect IP and pursue patents as appropriate

2023 Performance

- More comprehensive TCFD disclosures
- Broadened site-specific and geographic water, energy, and emissions disclosures
- Renewable energy increased to 32% of total grid electricity energy use
- Converted our Osaka, Japan manufacturing site to an electricity energy provider that utilizes 100% renewable energy
- Invested in energy-efficient air compressor equipment in Poway, California
- Installed a rainwater harvesting system into our new 92K sq. ft. facility in Laguna, Philippines supporting water conservation in the community
- Incorporated a deionized water recycling system in Poway, California to improve water efficiency and use of water in a sustainable way
- Recycled hazardous waste increased to 68%
- Recycled approx. 838,000 kg of non-hazardous waste

- Continued our excellent employee safety record, with an incident rate of 0.39, 67% lower than our industry benchmark incident rate

- Increased U.S. new hires who identify from underrepresented communities to 41%
- Globally, hired female employees equivalent to the overall female workforce representation of 29%

- R&D investment of \$88.6M, and 34% of total Operating Expenses
- Introduced new innovation products: Sense+ system, DI-Core AI Inspection software, and efficient factory automation features on our test handling equipment
- 14 Patents applied; 16 patents issued

Materiality Assessment

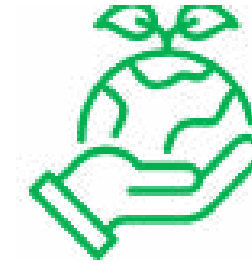
12 important topics that are most relevant and material to our business.

Enterprise Risk Assessment

Cohu maintains, updates and presents annually to the board of directors an Enterprise Risk Assessment that factors sustainability. In addition, we seek input from senior management and other stakeholders regarding key topics that affect our sustainability initiatives.

After evaluating such inputs, we have determined 12 topics that we believe are most relevant and material to our business. The 12 topics have been organized into three categories: Environmental, Social and Economic. We assessed and ranked each by Cohu’s ability to reasonably control the topic, and what could be the estimated potential magnitude of adverse impact on the business from such topic.

Our business and the global economy are evolving rapidly and we will continue to seek input from our stakeholders regarding potential other risks facing our business. Please note that this section is not intended to be risk factor disclosure – for a more complete set of risks facing the company, please refer to our most recent Forms 10-K and 10-Q as filed with the SEC.



Environmental	Social	Economic
Climate Change Energy Management Product Lifecycle Waste Management	Culture, Diversity, Equity, and Inclusion Employee Health and Safety Regulatory Compliance (incl. Export controls)	Data Security Global Economy Product Quality and Safety R&D/Innovation Supply Chain Continuity

Potential Adverse Business Impact to CoHu

	Low	Medium	High
High		Employee Health and Safety Regulatory Compliance (incl. Export controls)	Product Quality and Safety R&D/Innovation
Medium	Energy Management Product Lifecycle Waste Management	Culture, Diversity, Equity, and Inclusion	Data Security Supply Chain Continuity
Low		Climate Change	Global Economy

Cohu's Ability to Control These Topics



Environmental Impact



Energy Usage

Energy usage and overall carbon emissions from operations.

Energy Consumed

Total energy consumption increased by 1.3% year-over-year to 20 million kWh¹² with the acquisition of an additional manufacturing site during the year and in-process construction of our new Laguna, Philippines facility. CoHu endeavors to reduce its energy consumption where reasonably practicable, but it should be noted that our cost of energy is less than 1.4%¹³ of total operating expenses. Energy consumption includes energy from all sources, including energy purchased from sources external to CoHu and energy produced by CoHu itself (self-generated). For example, purchased electricity, and heating, cooling, and steam energy are all included within the scope of energy consumption. Energy consumption includes only energy directly consumed by CoHu during the reporting period.

Grid Electricity

92% of total energy consumed was grid electricity.¹⁴ The percentage is calculated as purchased grid electricity consumption divided by total energy consumption.

Renewable Energy

In 2023 we increased our use of renewable electrical energy to 5.8 million kWh¹⁵ or 32% of CoHu’s total electrical energy usage. Where alternatives are feasible and available, CoHu selects electricity utilities that utilize renewable energy sources. However, as of the beginning of 2024, seven of eleven of our principal operating sites are leased and CoHu does not select the utility provider.

¹² Energy usage among our 11 principal operating sites.

¹³ On a GAAP basis, \$3,601,595 / \$259,596,000.

¹⁴ 18.3M kWh grid electricity vs. total of 20M kWh.

¹⁵ CoHu relies upon its energy providers/utilities for this data.

Energy Management Highlights

U.S.

In our Poway, California HQ we replaced the air compressor with new energy-efficient equipment expected to reduce electricity usage by ~13% annually.

Germany

Our Kolbermoor innovation center is a certified “KfW Efficiency House 70”, and produces energy by a photovoltaic system and heat pumps on the roof. 96% of our electricity supply was derived from renewable sources.

Japan

We switched to purchasing green electricity at our 67K sq. ft. manufacturing facility in Osaka, resulting in 92% of our 2023 electricity use at this location being derived from renewable sources.

Malaysia & Philippines

In 2024 we have committed \$1.2M to install solar power at our two largest manufacturing facilities; 96K sq. ft. in Melaka, and 92K sq. ft. in Laguna.

Use of Renewable Energy

32% of electricity usage



Energy Data *(statistics are for full year 2023)*

Total Energy Use 20 million kWh			
By Operating Site		By Country	
Kolbermoor, Germany	1.27	Germany	1.27
La Chaux-de-Fonds, Switzerland	0.56	Switzerland	0.56
Laguna, Philippines	4.59	Philippines	4.59
Melaka, Malaysia	4.07	Malaysia	4.07
Osaka, Japan	2.08	Japan	2.08
Singapore	0.33	Singapore	0.33
Milpitas, California, USA	1.00	USA	7.11
Norwood, Massachusetts, USA	2.06		
Poway, California, USA	3.18		
St. Paul, Minnesota, USA	0.48		
Lincoln, Rhode Island, USA	0.38		

Total Grid Electricity Use 18.3 million kWh			
By Operating Site		By Country	
Kolbermoor, Germany	0.63	Germany	0.63
La Chaux-de-Fonds, Switzerland	0.27	Switzerland	0.27
Laguna, Philippines	4.49	Philippines	4.49
Melaka, Malaysia	4.07	Malaysia	4.07
Osaka, Japan	1.97	Japan	1.97
Singapore	0.33	Singapore	0.33
Milpitas, California, USA	1.00	USA	6.57
Norwood, Massachusetts, USA	2.06		
Poway, California, USA	2.95		
St. Paul, Minnesota, USA	0.17		
Lincoln, Rhode Island, USA	0.38		

Grid Electricity Derived from Renewable Sources	
By Operating Site	% Of Total kWh
Kolbermoor, Germany	100%
La Chaux-de-Fonds, Switzerland	0%
Laguna, Philippines	15%
Melaka, Malaysia	0%
Osaka, Japan	92%
Singapore	0%
Milpitas, California, USA	38%
Norwood, Massachusetts, USA	27%
Poway, California, USA	55%
St. Paul, Minnesota, USA	38%
Lincoln, Rhode Island, USA	16%

Emissions and Water Management

Energy usage and overall carbon emissions from operations.

Greenhouse Gas Emissions

Our Scope 1 and 2 emissions were approximately 11,865 metric tons CO₂-e, for all global locations. We report our greenhouse gas emissions using various publicly available conversion tools.¹⁶ We collect activity data and calculate Scope 1 emissions (direct emissions from owned or controlled sources) and Scope 2 emissions (indirect emissions from the generation of purchased energy).

With respect to Scope 3, CoHu is considering a data collection process toward the goal of reporting Scope 3 emissions. Data is not currently available for complete disclosure. We presently collect data for our largest Supplier, Jabil Circuit, located in Penang, Malaysia; inbound and outbound freight worldwide; non-hazardous waste diverted to landfills; and employee business travel. However, since we believe our Scope 3 emissions are primarily driven by total purchased goods and services and use of sold products, and this data is not presently available, we are not including estimated Scope 3 emissions in our 2023 report.

Water Consumed

Water withdrawal was 57.9 million liters, an 18% increase year-over-year, primarily driven by building construction requirements for our new Laguna, Philippines facilities which was completed in December 2023.

We refer to the Aqueduct Water Risk Atlas tool¹⁷ to monitor and evaluate if any of our locations fall under a water-stressed zone or if any relevant change occurs in terms of water scarcity based on the drought risk.

¹⁶ See note 4 above.

¹⁷ See <https://www.wri.org/aqueduct>.

Scope 1 and 2

11,865 metric tons CO₂-e
(Scope 1 = 1,370 | Scope 2 = 10,495)



Water Consumed

57.9 million liters



Water Management Highlights

Philippines

In 2023 we incorporated a rainwater harvesting system into the design scope of our new 92K sq. ft facility in Laguna. We estimate the system may save up to 5% of the facility's annual water withdrawal and support water conservation in the community.

U.S.

In 2023 we incorporated a deionized water recycling system into our HQ facility in Poway, California to improve water efficiency and use of water in a sustainable way. The potential water savings from this system are still being evaluated.



Water and Emissions Data *(statistics are for full year 2023)*

Total Water Use 57.9 million liters			
By Operating Site		By Country	
Kolbermoor, Germany	0.79	Germany	0.79
La Chaux-de-Fonds, Switzerland	0.30	Switzerland	0.30
Laguna, Philippines	22.47	Philippines	22.47
Melaka, Malaysia	14.93	Malaysia	14.93
Osaka, Japan	15.08	Japan	15.08
Singapore	0.29	Singapore	0.29
Milpitas, California, USA	0.02	USA	3.99
Norwood, Massachusetts, USA	0.92		
Poway, California, USA	2.22		
St. Paul, Minnesota, USA	0.20		
Lincoln, Rhode Island, USA	0.64		

Water Stress and Water Scarcity Analysis		
Cohu Operating Site	Water Stress ¹⁸	Drought Risk ¹⁹
Kolbermoor, Germany	Low	Medium
La Chaux-de-Fonds, Switzerland	Low-Medium	Low-Medium
Laguna, Philippines	Medium-High	Medium-High
Melaka, Malaysia	Low	Medium
Osaka, Japan	Low-Medium	Low-Medium
Singapore	Low	Medium
Milpitas, California, USA	Low-Medium	Low-Medium
Norwood, Massachusetts, USA	Medium-High	Low-Medium
Poway, California, USA	Extremely High	Low-Medium
St. Paul, Minnesota, USA	Low	Medium
Lincoln, Rhode Island, USA	Medium-High	Low-Medium

Scope 1 and 2 GHG Emissions 11,865 metric tons CO ₂ -e					
By Operating Site			By Country		
	Scope 1	Scope 2		Scope 1	Scope 2
Kolbermoor, Germany	158	239	Germany	158	239
La Chaux-de-Fonds, Switzerland	61	3	Switzerland	61	3
Laguna, Philippines	149	3106	Philippines	149	3106
Melaka, Malaysia	456	3171	Malaysia	456	3171
Osaka, Japan	20	909	Japan	20	909
Singapore	0.7	133	Singapore	0.7	133
Milpitas, California, USA	0	206	USA	525	1840
Norwood, Massachusetts, USA	0	824	Other ²⁰	0	1094
Poway, California, USA	470	606			
St. Paul, Minnesota, USA	55	61			
Lincoln, Rhode Island, USA	0	143			

¹⁸ Water Stress measures the ratio of total water demand to available renewable surface and groundwater supplies.

¹⁹ Drought Risk measures where droughts are likely to occur, the population and assets exposed, and the vulnerability of the population and assets to adverse effects.

²⁰ Other comprises miscellaneous sale and service offices, located around the world, but primarily located in Asia.

Waste Management

Safe handling, disposal and recycling initiatives.

Hazardous Waste Generated

Several of CoHu’s manufacturing sites generate material amounts of hazardous waste: Lincoln, Rhode Island; Osaka, Japan, Laguna, Philippines and Singapore.

The total amount of hazardous waste was 110,600 kg and 68% (75,000 kg) of such waste was recycled.

All hazardous waste was handled and recycled or disposed of in accordance with local laws and regulations.

Hazardous Reportable Spills

CoHu did not have any reportable hazardous waste spills.

CoHu did not have any claims, legal proceedings or monetary losses associated with environmental regulations.

Non-hazardous Waste Generated

CoHu does not presently track total non-hazardous waste generated across all its sites. However, we do track recycling initiatives.

CoHu recycled approximately 838,000 kg of paper, plastic, wood and other non-hazardous waste.

Waste Management Highlights

68% of Hazardous Waste was Recycled

We partner with our supplies to ensure sustainable waste management; separation of elements, recycling what is reusable, and the use of safe disposal methods according to legal requirements. At our manufacturing facilities, we focus on waste-saving opportunities and share this knowledge across geographies.

Additive Manufacturing (AM)

At our manufacturing facility in Laguna, we utilize eco-friendly AM enabling the 3D-manufacturing of higher cost raw materials, particularly Titanium Alloy, with the goal to minimize waste and limit the impact on the recycling process.

Waste Recycled



913,000 kg



Climate-Related Opportunities

Global transition to a lower-carbon economy.

Although we do not consider ourselves a significant emitter, Cohu endeavors to reduce its global carbon footprint. Our plan is to take reasonable ongoing steps and we believe that Sustainability is a continuous improvement process.

Oversight

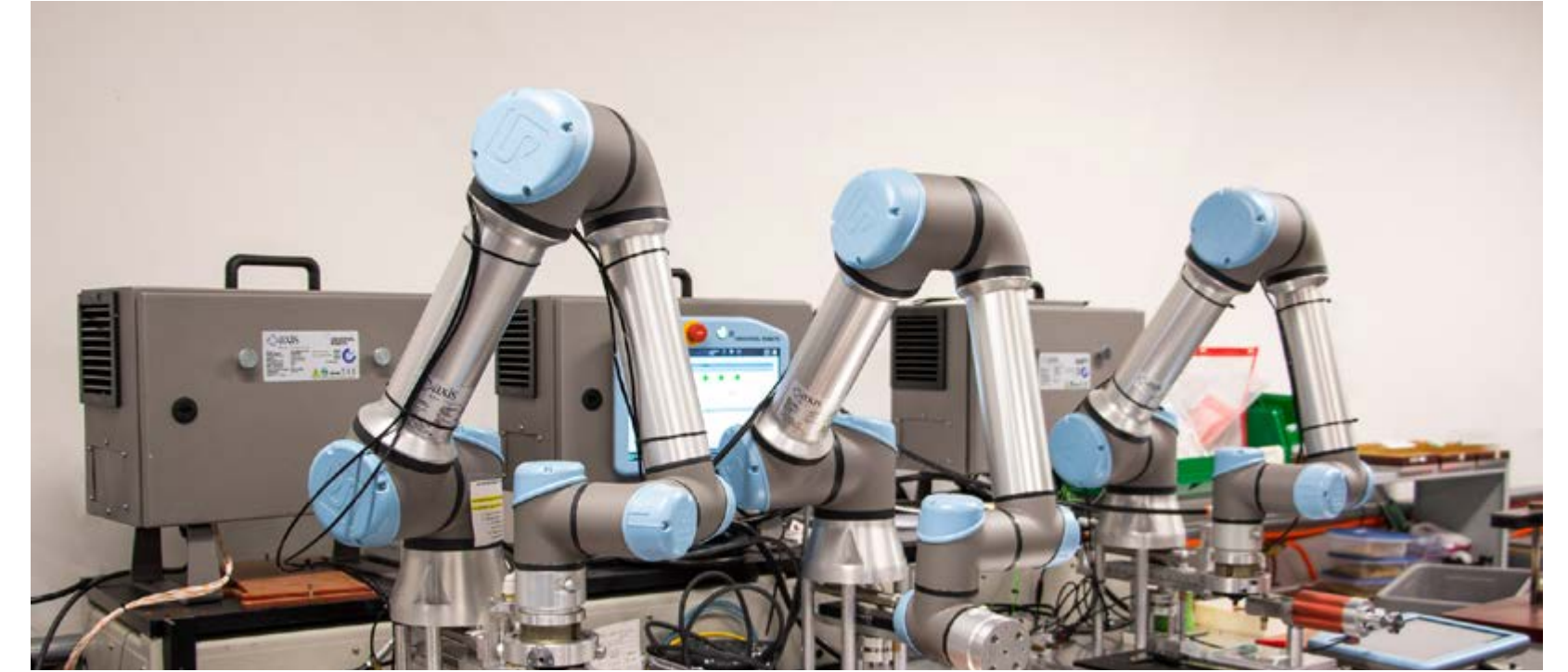
Cohu's Board of Directors Nominating and Governance Committee is responsible for oversight of the company's sustainability (including environmental/climate-change related, social and corporate governance) initiatives. As part of this responsibility, the Committee regularly reviews our sustainability program. Management presented Sustainability matters to the Board four times in 2023. The Board also reviews annually the company's Enterprise Risk Assessment ("ERA"), wherein management identifies and considers mitigation strategies to address potential risks facing the company (including climate-related risks and opportunities).

Global Cross-functional Team

Cohu has a global, cross-functional team that develops the long-term strategy, goals, metrics tracking, and annual reporting and disclosure processes for our sustainability activities. The team also collectively prepares Cohu's Sustainability Report and related disclosures. This group regularly solicits input from, and reviews results with, our CEO and CFO.

Accelerating Automation with Collaborative Robotics

At our Lincoln, Rhode Island manufacturing facility, we invested in collaborative robotic assembly improving operational efficiency and workplace safety. The robots work with our employees to automate repetitive work.



LED Lighting

Cohu has invested in LED lighting conversion projects at our global sites. A total of five sites have ~100% LED lighting, including two of our largest manufacturing facilities; 96K sq. ft. Melaka, Malaysia and 92K sq. ft. Laguna, Philippines.

Reducing Emission from Travel

With the goal to reduce employee travel (and associated Scope 3 emissions), we continue to utilize our remote-assisted reality customer support system, used for remote technical support and training, and in 2023, we avoided 174,000 km in employee travel.

Energy-efficient Manufacturing

At the beginning of 2023, we converted our Osaka, Japan manufacturing site to a grid electricity provider that utilizes 100% renewable energy.

We replaced air compressor equipment used in Poway, California, development and production processes, and this new energy-efficient equipment is expected to save and therefore reduce the Poway site's electricity usage by approximately 13% annually.

Further, we have committed a budget of \$1.2M for solar power generation projects at our two largest manufacturing facilities; Melaka, Malaysia and Laguna, Philippines, to be completed in 2024.



Our Solutions



Products and Services

We maintain rigorous standards and commitment to continual improvement.

Product Development and Lifecycle Management

Cohu's comprehensive Product Lifecycle process defines the framework and guiding principles to be followed during the development and release of new products. We follow a phased approach to product development from concept to release to manufacturing, and adhering to international standards and certifications that regulate environmental, health, and safety requirements.

We have leveraged the Quality Tiger Task Force model and, utilizing the 8D Quality Tool and 3x5 Why Tool, measure eight disciplines to define a problem, implement short-term containment steps, determine the root cause, and finally develop and implement corrective and preventive actions to prevent recurrences.

Design Process for Sustainability

We consider energy usage in our product design. For example, our Diamond_xTM tester was designed with air-cooled architecture and instruments that do not require compressed air or chilled water and consume ~75% less power versus a comparable liquid-cooled test system. We also provide customers with the flexibility to reconfigure systems to test different applications, thereby extending the useful life of the platform.

Responsible Business Alliance (RBA)²¹

In 2023, we completed an RBA audit at one of our principal manufacturing sites, Laguna, Philippines, with no findings and achieved RBA's highest rating of Platinum with a Validated Assessment Program (VAP) score of 200.



Supplier Engagement

As part of our continuing initiatives in driving continuous improvement and reinforcing the philosophy and mentality of quality, we hold an annual Supplier Day where we strengthen our relationship with our suppliers, collaborating to add value to our customers and achieve Zero Defects. Further, CoHu endeavors to increase the resilience of our global supply chain through various Sustainability initiatives with our suppliers, maintaining manufacturing expertise across many of our sites, and considering geopolitical risks in our sourcing strategies.

ISO Certifications

We are ISO 9001:2015 certified at our facilities in Lincoln, RI, Norwood, MA, Milpitas, CA and Poway CA, Kolbermoor, Germany, La Chaux-de-Fonds, Switzerland, Osaka, Japan, Laguna, Philippines, and Melaka, Malaysia, and Singapore. In addition, our facility in Kolbermoor, Germany is ISO 14001 certified.

253 of CoHu's suppliers maintain an ISO 9001 certification, representing 73% of CoHu's total annual supplier spend. 12 of CoHu's suppliers maintain an ISO 14001 certification, representing approximately 17% of CoHu's total annual supplier spend.

²¹ Responsible Business Alliance, an industry coalition dedicated to responsible business conduct in global supply chains.

Providing Enabling Capability and Technology

Focus on creating products that enable healthier lifestyles, greater longevity, and a more habitable planet.

Cohu is proud to support the manufacturing and testing of semiconductor components and technologies that save energy, enable the reduction in greenhouse gas emissions, and create a lower carbon economy. We are enabling many products that reduce energy consumption, optimize battery usage, and reduce the number of needed components.

Renewable Energy

We have numerous customers that provide semiconductor solutions to manage and reduce power consumption and enable solar and wind power generation. We support these important technologies including power management devices, controllers, inverters, sensors, motor drivers, and gate drivers. We are proud to be a key supply chain partner to these customers.

Vehicle Electrification Reducing CO2 Emissions

Our solutions are installed at the top semiconductor automotive manufacturers. Our test and inspection solutions are being utilized to test driver-assistance applications to increase safety, and power battery management systems for electric vehicles enabling reduced emissions and noise.

Providing Internet Coverage for the World

Low-earth satellite-based internet constellations are bringing high-speed broadband to areas and people that lack reliable internet access creating life-changing socioeconomic opportunities, and access to educational resources and healthcare. Our RF/Satellite Communication Test and Inspection Cell is being utilized for testing of high-performance RF devices deployed in these satellites and ground-based transceivers.



We are enabling accurate signal integrity and temperature control with our testers, handlers, and contactors. We are proud to have enabled internet service following the Tonga earthquake and during the ongoing crisis in Ukraine.

Advancing Healthcare

Our spring probes are used in procedures using robotic surgical instruments which enable minimally invasive surgery, faster recovery time, and less eye strain for the surgeon.

We are facilitating the testing of MEMS sensors in consumer wearables to collect vital data, analyze the information, and send data wirelessly to medical specialties for real-time feedback.

Our testers, handlers, contactors, and inspection & metrology solutions are being utilized in life-saving medical devices and applications: patient monitors, ventilators, IR thermometers, digital x-rays, rapid sepsis testing, and biometers to measure contactless temperature.

Delivering Optimized Yield and Productivity

Accelerating our customers' manufacturing time-to-market.

Cohu designs differentiating energy-efficient products and services for the semiconductor test industry, delivering sustainable benefits. Lower energy consumption reduces our customers' operating costs and lessens the environmental impact of greenhouse gas emissions from their manufacturing and test facilities.

In 2023, R&D expense was \$88.6M, 34% of total operating expenses, 14 patents were applied and 16 patents were issued.

Improving Overall Equipment Efficiency

Our DI-Core Data Intelligence software significantly improves overall equipment efficiency for CoHu's large installed base of test handlers and inspection systems.

- Insight™ delivers real-time online performance monitoring and process control of the entire fleet of equipment to improve utilization.
- Predictive Maintenance™ provides early warning to replace parts or service equipment using real-time component and thermal performance analytics.
- AI Inspection™ optimizes yield and defect detection, and reduces scrap, utilizing Artificial Intelligence.

Optimizing Temperature Control

Cohu's unique T-Core™ active thermal control (ATC) technology dynamically removes heat from devices during testing to optimize temperature control, minimizing test time and yield loss. CoHu's patent-pending Volta-Flux™ high-power density solution enables efficient heat dissipation from the top and bottom surface of the die under test for high-voltage and high-current applications.

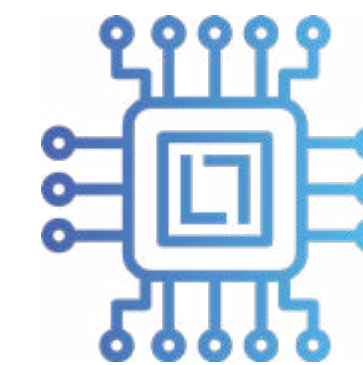
Avoiding Scrap Material Waste

DI-Core AI Inspection Software

Cohu released its latest software AI Inspection in late 2023, which provides real-time computation that enables semiconductor manufacturers to improve visual inspection accuracy at production speeds.

The product utilizes proprietary deep learning and neural network technologies to improve inspection yield without compromising quality.

We believe that the product offers significant sustainability benefits by reducing scrap material. For example, in a typical large back end semiconductor manufacturing facility, annual scrap avoidance could be in excess of 200M semiconductor devices.



ai inspection™



Compact Low-Power Technology

Cohu's Diamond_x product line was designed to deliver cost reductions in both capital and operating costs. Our air-cooled architecture and instruments do not require compressed air or chilled water. Diamond_x consumes 2.8 kVA of electrical power, ~75% less power is required versus a comparable liquid-cooled test system. Diamond_x includes compact low-power (CLP) technology which uses less energy to operate. CoHu's CLP technology greatly reduces greenhouse gas emissions.

Smart Factory Automation

We design Smart Factory automation compatible solutions into our products to improve productivity and workers' safety. For example, our Neon™ Inspection system and NY32-LU™ handlers are equipped with an external loader/unloader to integrate with factory robots for customers adopting Industry 4.0 initiatives, our MATRiX™, Eclipse™, and Jaguar™ handlers operate with Automated Guided Vehicles (AGV)/Industrial Mobile Robots (IMR) equipment. Our NV-Core™ Inspection software uses AI-powered deep learning algorithms to improve inspection yield.

Next Generation Architecture Extending the Life of the Platform

Our Sense+ platform was designed to be an all-in-one system for testing, calibration, final inspection, and packaging of MEMS Sensor devices, delivering the full backend process in one tool creating less work-in-progress and a better cost of test.

Its architecture isolates the test of MEMS from outside noise and vibration, significantly increasing test accuracy and daily output. The system can operate on a standard noisy test floor, eliminating customers' need for additional anechoic rooms or chambers on the production floor resulting in energy savings and a reduced footprint.

Sense+ also provides customers the flexibility to reconfigure the system in the field to test different sensors, and it can be mechanically de-coupled from the production system for use as a standalone unit for engineering or low-volume manufacturing, thereby extending the useful life of the platform.

Improving Operational Efficiency



Factory Automation/I4.0

Our Jaguar test handler is designed for high-volume production testing of ICs.

The handler was recently enhanced with the availability of DI-Core software providing real-time equipment monitoring and data analytics. In addition, we designed-in an automated loading/unloading feature, providing interface to Industrial Mobile Robots.

These new advanced features improve operational efficiency, workplace safety and automate repetitive work for factory employees.





People and Culture



Diversity, Equity, and Inclusion

We strive to create a culture where everyone feels welcomed, valued, and respected.

Human Rights

Cohu and our subsidiary companies operate in numerous countries globally and we endeavor to uphold the human rights of workers and to treat them with dignity and respect to the standards of the international community.

We fully support the EICC/RBA tenets of human rights and have implemented the Cohu Human and Labor Rights Policy²² reflecting these standards. Select illustrative metrics are listed below which reflect relevant data for calendar year 2023.

Non-discrimination

Cohu provides work environments that are free of harassment and unlawful discrimination and endeavors to provide workplaces that are productive, pleasant, and based on mutual respect. Cohu has implemented explicit company policies that prohibit harassment and unlawful discrimination or any retaliation for making such claims in good faith.²³

Employee Training

Cohu conducts annual non-discrimination, harassment prevention and managing bias in the workplace training. In 2023 we implemented quarterly ethics and business conduct training programs. In March 2024, we launched a diversity, inclusion and belonging training series for employees.

²² See Human and Labor Rights Policy <https://www.cohu.com/corporate-responsibility>

²³ See Code of Business Conduct and Ethics <https://www.cohu.com/corporate-responsibility>

²⁴ See note 8 above.



2023 Highlights

- Hired a greater percentage of U.S. employees who identify as from underrepresented communities than our current representation of 40%
- Returned 4.5% of profits globally to eligible non-executive employees, which amounted to \$4.7M
- Increased our training investment by 11% year-over-year, providing more than 51,700 cumulative training hours to employees globally
- In support of our goal to foster employee engagement, conducted a worldwide engagement survey
- Continued our excellent employee safety record, with a 2023 global recordable incident rate of 0.39, which is 67% lower than our industry benchmark²⁴

Freedom of Association

Open and direct communication between workers and management is the most effective way to resolve workplace issues. Cohu respects the rights of workers to associate freely and to join or not join labor unions or workers' councils in accordance with local laws.

Cohu provides numerous communication channels for employees to engage directly with management from regular all-employee meetings at various facilities, to round-table sessions with senior executives, multiple anonymous question forums and hotlines. This is supported by the metric that in 2023 approximately 14% of Cohu workers were represented by a union or workers council.

Freely Chosen Employment

All employment with Cohu is voluntary and employees are free to terminate their employment relationship at any time. In 2023, there was no compulsory, forced, bonded, indentured, slave or trafficked labor in any Cohu operation or global facility.



Child Labor Avoidance

Other than through legitimate workplace apprenticeship programs sponsored by local governments or educational institutions, we prohibit the employment of workers younger than 18 years of age. This is monitored and confirmed through the hiring process and through periodic audits. There were no violations of Cohu's policy on underage workers in 2023.



Employee Metrics

We again improved our overall diversity in 2023, 29% of U.S. new hires were female, and 41% identify from underrepresented groups, both at an equal or higher percentage than our overall community representation.



Race/Ethnicity (U.S.)	% of Total
Underrepresented groups ²⁵	40%
White	60%

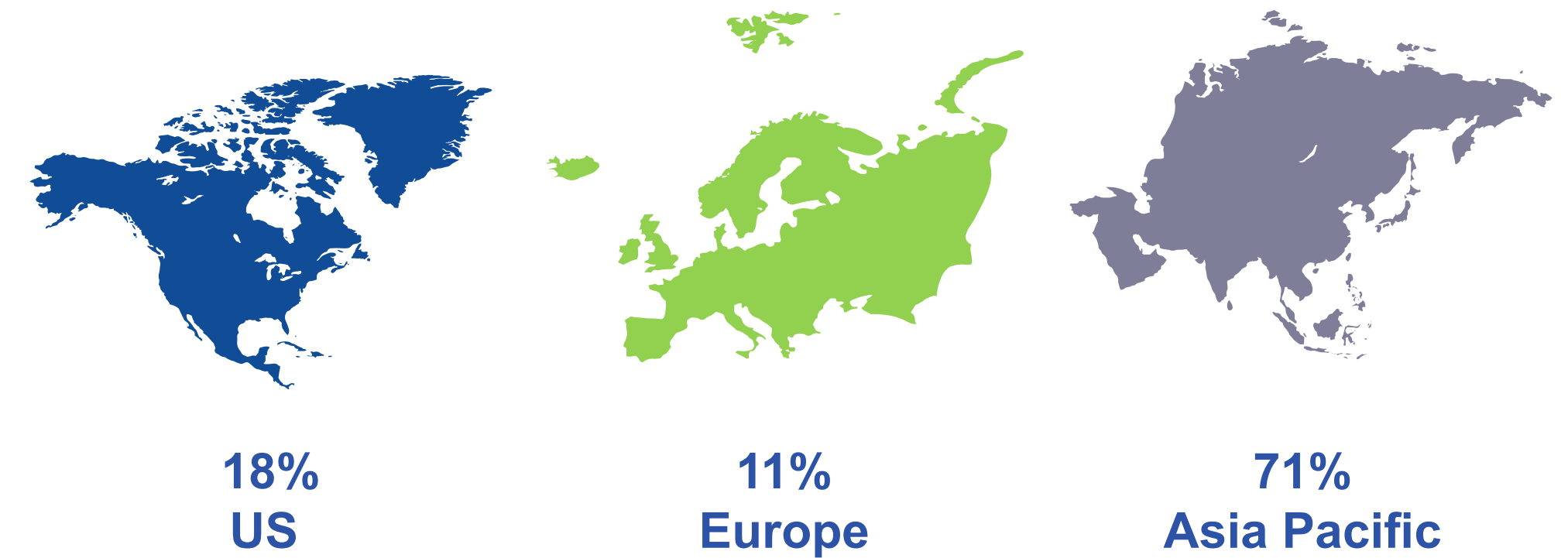
Age Band (Global)	% of Total
<30	20%
30-50	56%
>50	24%

Race/Ethnicity	2023 U.S. New Hires %	Continuing U.S. Employees %
White	59%	60%
Asian	24%	24%
Hispanic/Latino	14%	10%
Black/African American	3%	2%
Native Hawaiian/Pacific Islander	-	1%
Two or more races	-	1%
Native American/Alaskan	-	0.1%

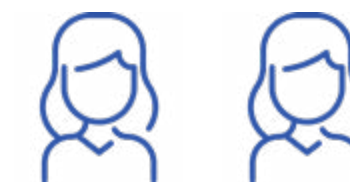
Note - continuing table adds to greater than 100%
Cohu tracks race/ethnicity only in the US.

²⁵ Includes employees who identified as Native American/Alaskan, Asian, Black/African American, Hispanic/Latino, Native Hawaiian/Pacific Islander.

Global Workforce by Region



Board Diversity



2 of 8
Directors are female, or 25%



2 of 8
Directors are ethnically/racially diverse, or 25%

There are on-going efforts by the Board's Nominating and Governance Committee to consider the appropriate mix of skills, competencies, and diversity on the Board.

Talent Development

Our employees and teams around the world are encouraged to expand their knowledge and skills through participation in internal and external educational programs.

Increased our Investment in Development

In 2023 we increased our investment by 11% to \$924,000 in training, seminars, and educational assistance fees, providing more than 51,700 cumulative training hours to employees globally. This equates to approximately 16.2 hours of annual training per employee.

Preparing the Next Generation of Leaders

58% (11 of 19 members) of the executive leadership team have been promoted from within.

In 2023, 34 CoHu leaders from across the enterprise graduated from our six-month Leadership Development Program, concluding in a final Capstone Project presentation to the Executive Leadership Team. The program focused on enhancing leadership skills needed to be effective as leaders rise through their careers at CoHu.

We also initiated a global Emerging Leader Program with more than 200 participants, providing just-in-time training for newly promoted or hired leaders, that provides the foundation skills and competencies required to be an effective leader. The program provides a blend of learning methodologies, focusing on self-led courses and several experiential instructor-led courses.

The program highlights essential areas required in a leadership role and provides insights on how to overcome the most common challenges of being a leader. The coursework helps develop key leadership skills such as coaching, delegation, time management, resolving conflict, communicating with different personalities, and performance management.



Online Leadership Resources

We have created and deployed robust Leadership Competencies Guidelines. The online resource is available in multiple languages to all global employees, providing a reference that highlights the behavior and performance standards for individual contributors and people leaders.

The Guidelines set out the specific skills, knowledge, and behavioral requirements that help employees perform their job successfully. Our competency model defines what successful performance looks like for CoHu within Personal Leadership, Thought Leadership, People Leadership and Results Leadership.



Developing People Excellence

In October our Penang branch embarked on an insightful workshop that covered three essential topics: Stress Management, Effective Time Management, and Poka Yoke. The comprehensive learning experience was designed to empower our team with the knowledge and skills necessary to excel in both their professional and personal lives. Teams delved into effective time management techniques, learning how to prioritize tasks, set goals, and maximize productivity. We also tackled the importance of stress management and equipped our employees with strategies to proactively handle stress.

Health and Safety Training

Cohu provides comprehensive health and safety training that builds awareness and skills. All manufacturing employees undergo some level of environmental health and safety training when they join CoHu. Training information is also tailored to what is needed for specific jobs, such as hazardous materials, handling, ergonomic working, and ESD. Employees take ISO 9001:2015 training upon hire and periodic refresher employee training as required for their roles.

In 2023 we continued our excellent employee safety record, with a global recordable incident rate of 0.39, which is 67% lower than our industry benchmark.²⁶



26 See Note 8 above.



Innovation Week

In October to promote lifelong learning we held an Innovative Week in our innovation centers. The program was open to all global employees and was filled with multiple captivating in-person and virtual presentations on the future of AI, transformative trends, and enlightening technical lectures delivered by experts and professors from renowned universities.

We explored the current and future trends and innovations that are set to shape industries and redefine our world.

Supporting a Work-Life Balance

Employees balance their career and personal lives through a variety of company-supported programs.

We offer comprehensive, locally relevant and innovative benefits to all eligible employees. These include part-time work schedules, flex-time, remote and hybrid work arrangements. Additionally, CoHu provides paid and unpaid leaves to employees to act as caregivers and to enjoy being new parents; to recover from personal illness or injury; and to complete civic responsibilities such as military service, voting or jury duty.

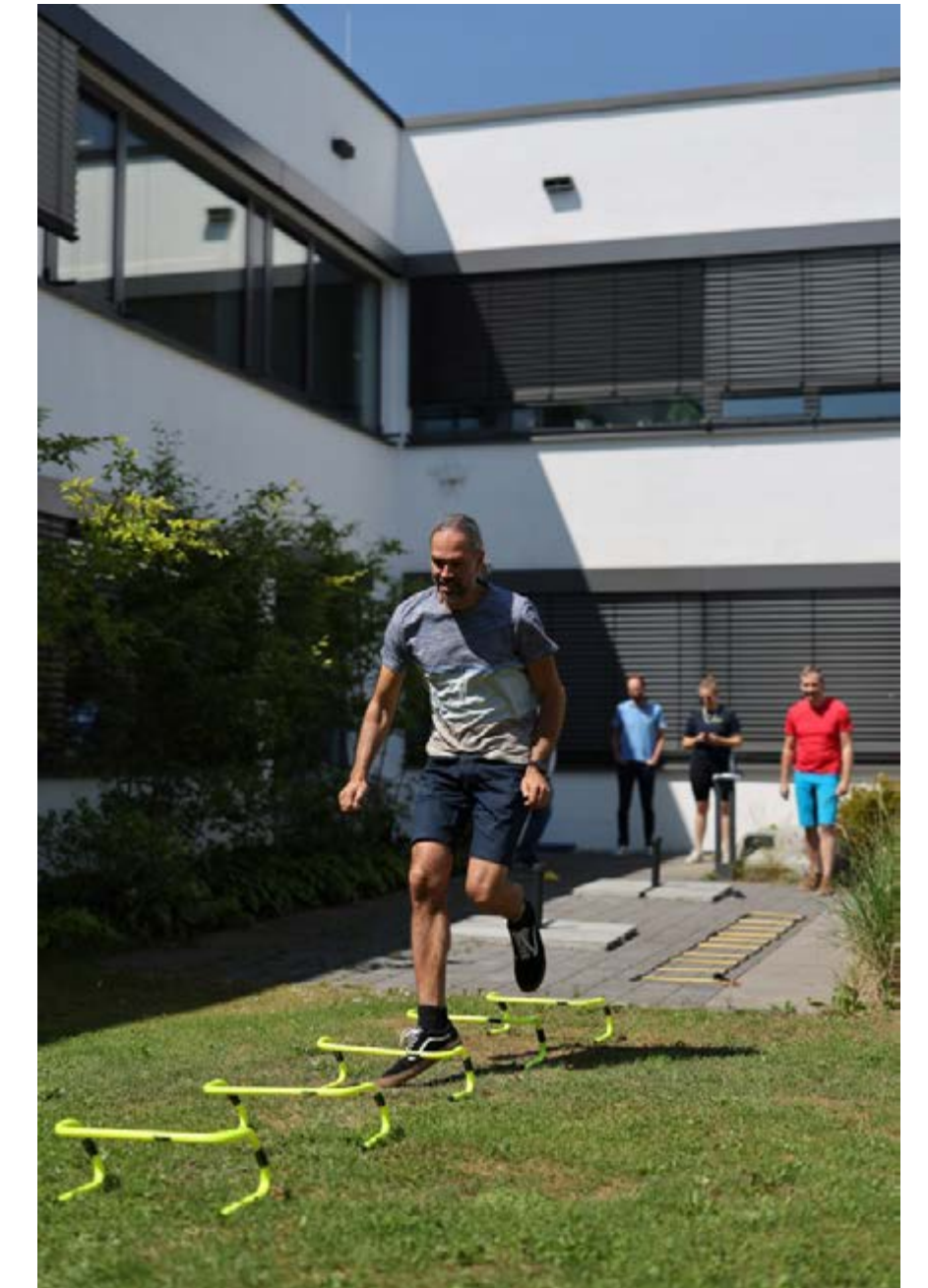
Our Wellness Programs

Our wellness programs are designed to support employees in developing healthy habits for a lifetime. Whether they want to have more energy, lose weight, stop smoking, manage stress, improve their diet, or just live healthier, we provide a variety of free online tools and resources to help make wellness a part of their everyday life.



In 2023 we held multiple events globally:

- Health Days focusing on physical fitness, healthy eating, preventative care and mental health
- CPR training
- Fun Runs and Runs for Causes to help support our local communities
- Family days inviting employees to welcome their significant others and family members to visit the workplace
- Access to mental health and mindfulness Applications

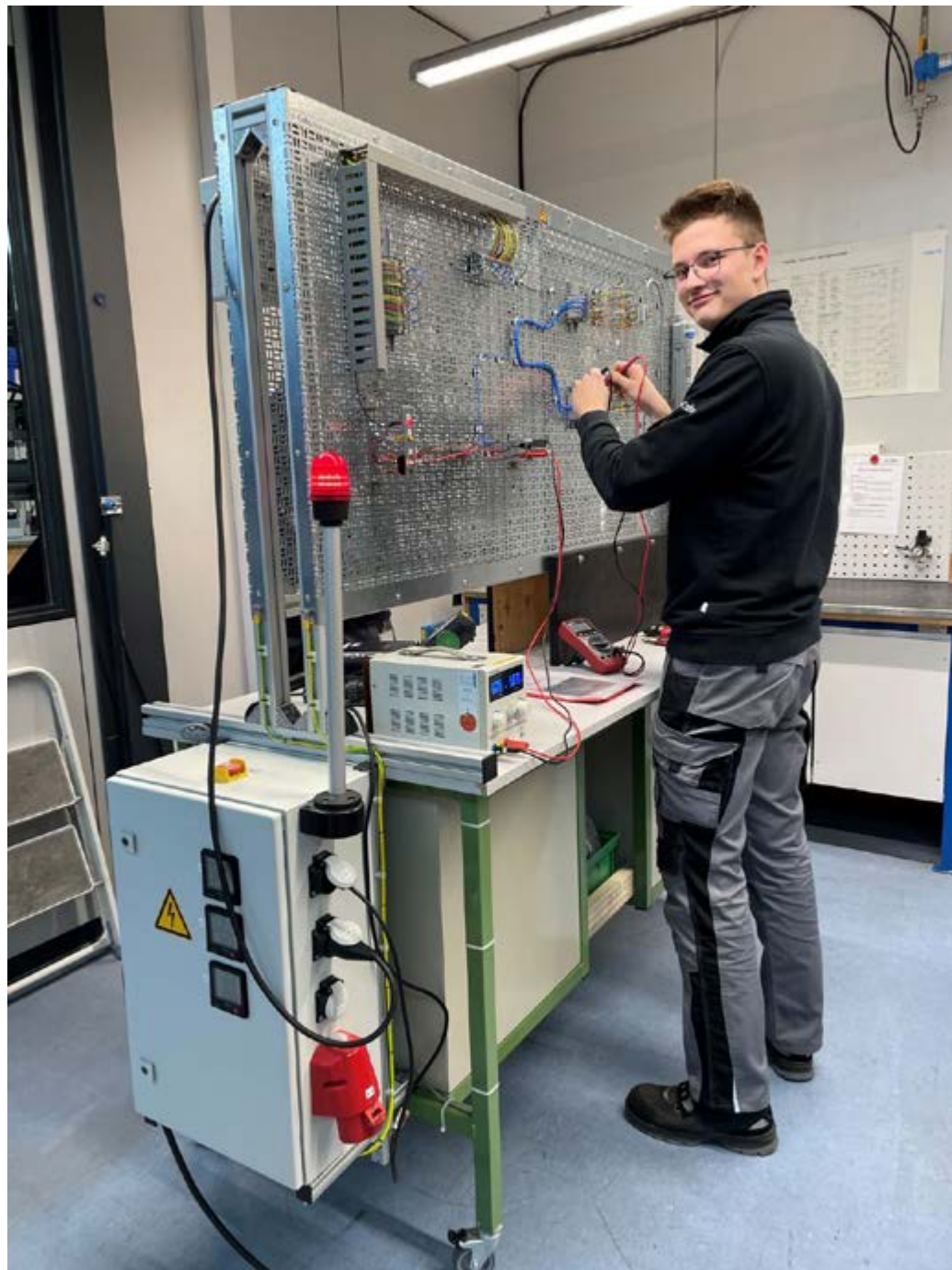


Co-Operative and Internship Programs

We are striving to develop the next generation of semiconductor experts and offering students the opportunity to gain insights into the semiconductor world.

Cohu has a long history of partnerships with more than eleven (11) global higher education institutions, in Malaysia, the Philippines, the United States, and Germany, offering students apprenticeship and internship opportunities.

Together, we offer students a unique opportunity to integrate their academic knowledge with hands-on work experience, helping to build a foundation of skills and experience in the semiconductor test industry.



Apprentices

Our apprentices complete basic training in manual mechanical workmanship and machining, creating several small projects to practice their skills and deepen their knowledge.

To improve their knowledge of electrical engineering they learn how to install lights, sockets, motion detectors, and switchboards as well as learn wiring techniques and crimping.

Apprenticeship State Prize

In Germany, again one of our Kolbermoor industrial mechanic student apprentices was awarded the State Prize from the Government of Upper Bavaria in the historic town hall in Wasserburg for their apprenticeship academic achievements.



Supporting STEM

Our mission at CoHu is to make girls and young women aware of the career opportunities available in our industry. We are proud to continue to support German Girls' Day in our Kolbermoor, Germany facility. Our mechatronics apprentice team held an Open House Workshop where female students, aged 12 years and older, have the opportunity to obtain firsthand insights into engineering career opportunities.

The participants have the opportunity to test their technical skills with hands-on exercises.

University Outreach in Malaysia

In 2023 we expanded our partnership with local Universities by providing platforms to encourage students to enter a career in the semiconductor industry.



Opening our Doors

In early summer we opened the doors of our production facility in Melaka to engineering students and professors from the Multimedia University and University Tun Hussein Onn (UTHM). Visitors were allowed to take an informative tour of our production facility and learn about the various roles and responsibilities of our employees.

In addition, we held segments to provide insight into benefits provided to the community and the environment of embarking on an innovative career in semiconductor engineering and encouraged an interactive Q&A session where students and educators could inquire about internships, job prospects, and our array of products and services.

Mind Engine Expo

In late summer we participated in an exhibition organized by Monash University in Malaysia, drawing students specializing in software and advanced computer science. Simultaneously, we engaged in discussions with the Monash University team about establishing a University Engagement Project, aiming to involve their students in collaborative projects with Cohu, further bolstering our Cohu-University partnership.



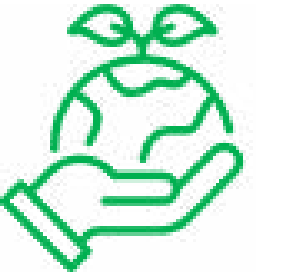
Supporting and Encouraging Community Involvement

We support and partner with our employees participating in philanthropy and community service including charitable activities, educational and financial support, and charitable drives.

United Way's Day of Action

Each year tens of thousands of people in hundreds of communities around the world come together for United Way's Day of Action. It is a global volunteering activity, where people can take a small step to make a big difference. Our Minnesota employees chose to participate in the Day of Action by volunteering and coming together to assist local students in need.

The volunteers spent their time sorting supplies and packing backpacks that will be given free of charge, helping to ensure that over 43,000 local students have the school supplies they need to be successful in the coming school year.



Improving Quality of Life in Our Communities

With the support of the local government of Los Banos, our Laguna employees organized a tree-planting activity with the Boy Scouts of the Philippines. The activity supports reforestation and contributes to the National Greener Program of DENR-MENRO (Municipal Environment and Natural Resources Office).

85 tree saplings were planted, a combination of fruit-bearing and timber trees. The goal was to provide a greener landscape for the environment, minimizing the levels of air pollution and diminishing the unfavorable effects of climate change, as well as enhancing the environmental conservation knowledge for CoHu employees.

Supporting our Unhoused Neighbors

People Serving People is the largest, most comprehensive emergency shelter for families in Minnesota and a dedicated leader in homelessness prevention. At People Serving People, their work is carried out with an emphasis on racial equity and authentic community engagement.

In honor of Women’s History Month in March, our St Paul employees organized a donation drive working with People Serving People. They chose the non-profit organization to help address the immediate emergency and long-term needs of families in the community.

Donated goods of much-needed diapers, tissues, bedding, toilet paper, and more, were delivered to a local family and homeless shelter.



Cancer Warriors Foundation

Over 420 employees participated in Neon Run for a Cause in Laguna, Philippines to support the fight against childhood cancer.

The Cancer Warriors Foundation Inc. is a non-profit organization in Lipa, Batangas that advocates to enable affordable, good quality childhood cancer drugs and medication, adequate social health insurance coverage and opportunities for childhood cancer survivors.

The Neon Run generated PHP200,000, which was donated to the foundation in December.



Protection from the Elements at Elementary School

Establishing a healthy and comfortable student environment helps to support a positive learning culture. In addition to protecting them from heat stress, sun care precautions are critical because children’s skin is more sensitive to ultraviolet (UV) ray exposure.

Over 400 people participated in a Fun Run Event organized by our Laguna employees to raise funds for a donation project at the nearby Milagrosa Elementary School. The funds generated from the event were dedicated to the construction of a covered walkway to help protect and limit the young students from exposure to harmful UV rays, heat and rain.

When the walkway was completed in February 2023, it provided over 50 meters of covered walkway to connect several classrooms, the gym, the canteen, and another walkway to effectively link them together, minimizing students and facility exposure to the elements during their school day.



Socially Engaging with Older Adults in Malaysia

At our annual Melaka Charity Run employees elected for the RM5,000 proceeds from the fundraiser to be donated to support Rumah Seri Kenangan an organization committed to helping the local aging community.

In addition, to providing monetary support, our employees also volunteered to visit the organization and hold various leisure activities to improve socialization including aerobic exercises, board games, and karaoke sessions.



Employee Engagement Initiatives

We believe that engaged employees are a key contributor to our success.

We Solicit Feedback

When employees are fully engaged and proud to work at Cohu, they bring their best to work, every day. In support of our efforts to foster a high-performing and engaged workforce, we want to capture their feedback in the areas of job satisfaction, values and recognition, leadership, culture, purpose, trust, and career development.

2023 Employee Engagement Survey

We conducted an anonymous global employee survey. We received more than 1,670 responses from all regions, business units, and functions providing us with comments and suggestions. We reached an employee engagement score of 69% and a job satisfaction score of 76%, which we believe are key indicators of the kind of workforce we need for a successful Cohu. The information that was provided was analyzed to identify our organizational strengths and select several focus points to improve upon during 2024.

Focus for 2024

Based on feedback we will be focusing our efforts on identifying additional avenues to provide excellence recognition to our employees, as well as working to build a more robust internal talent pipeline.

To ensure we are successful in our engagement initiatives and to demonstrate to our employees that we value and act upon their input and feedback, we will be launching future Employee Engagement Pulse Surveys to collect ongoing feedback and determine progress being made from forthcoming initiatives.



2023 Survey Score Results



69%
Employee
engagement

83%
I find my work at Cohu
challenging (in a positive way),
professionally and personally.



76%
Job
satisfaction

90%
I know where to turn for help if
something unexpected or
confusing comes up at work.



Corporate Responsibility



Business Ethics

Corporate responsibility is an integral part of our business strategy and operating philosophy.

Corporate Responsibility

At Cohu, corporate responsibility is an integral part of our business strategy and operating philosophy. A firm commitment to ethical behavior is embedded in our business processes and practices. We view our corporate responsibility as having integrity in all we do including respecting our people and the environment and holding ourselves to the highest ethical standards and compliance criteria at all levels of our organization. We firmly believe that this provides the foundation to create a culture of accountability and the best opportunity to create long-term, sustainable value for our stakeholders and the global community.

Ethics and Compliance Management System

Cohu's ethics and compliance management system is multifaceted including periodic employee reminders and certification to our Code of Business Conduct and Ethics, internal mechanisms for reporting and following up on suspected violations, formal procedures for upward reporting to Coahu's Audit Committee, periodic training and employee awareness programs (including anti-corruption and anti-bribery training), cybersecurity training, quarterly compliance certifications by senior management and written anti-corruption policies.

Anti-Competitive Behavior

Cohu did not have any claims, legal proceedings or monetary losses associated with anti-competitive behavior regulations; did not receive any notices of violations for non-conformance with regulatory labeling and/or marketing codes; nor did we have any monetary losses for legal and regulatory fines, settlements, or enforcement actions associated with false, deceptive, or unfair marketing, labeling and advertising.



Bribery and Corruption

Cohu did not have any claims, legal proceedings or monetary losses associated with bribery or corruption.

Political Activity

Cohu's policy is to prohibit globally any direct monetary contributions to any political campaign. Accordingly, there were no such political contributions. Further we did not incur any direct expenses for lobbying to influence any laws. Coahu may occasionally be a member of business associations where such associations may lobby on industry issues.

Anonymous Reporting Channels

Employee input is essential to maintain a positive, safe and ethical environment. Employees are encouraged to communicate comments and concerns through EthicsPoint, a third-party anonymous "ethics hotline" 24x7 for receiving and managing reports. EthicsPoint tool and access is made visible and available to all of our global employees. We also make available a variety of internal, anonymous reporting channels.

There was one report filed in 2023, and investigated, resolved and closed. Anonymous reports and the results of any investigations are reported to the Audit Committee of the Board of Directors.

Stakeholder Engagement

We engage with internal and external stakeholders to drive our sustainability goals and priorities.

Employees

- Quarterly in-person and virtual employee meetings where we invite questions and answers.
- Quarterly CEO/CFO and executive interview videos providing business updates and actual performance to targets.
- Regular executive leadership emails to our global employees detailing organizational changes.
- Innovation Weeks are held to spur creative thinking, alignment and engagement.
- iZone spaces have been established in our innovation centers as a place to meet and generate new ideas in a relaxed environment, helping to stimulate creativity.

Customers

- Conducted customer training classes worldwide covering product use and safety topics.
- Strategic engagement on product roadmaps and technical exchanges to ensure we are addressing our customers' technology needs.
- Completed an RBA audit at our principal manufacturing site in Laguna, Philippines, with no findings, and we achieved RBA's highest rating of Platinum with a VAP score of 200.
- Delivered multiple technical presentations at industry shows and events.

Suppliers

- Supplier Day where we strengthen our relationship with our suppliers, collaborating to add value to our customers and achieve Zero Defects.
- Supplier Code of Conduct was signed by over 500 suppliers, representing approximately 80% of Cohu's total annual supplier spend.
- Conducted periodic on-site audits for new fabrication part and contract manufacturers.

Investors

- Conducted approximately 242 one-on-one-investor and prospective investor meetings, including 12 of our top 25 shareholders.

Community & Organizations²⁷

- Run for a Cause Fundraiser proceeds were donated to Rumah Seri Kenangan, an organization committed to the local aging community in Malaysia, and the Cancer Warriors Foundation, Inc., an organization supporting the fight against childhood cancer in the Philippines.
- Fundraising activity proceeds were donated to People Serving People an emergency shelter organization in Minnesota, U.S.



Corporate Objectives

Quantifiable and measurable corporate objectives are established annually.

We are transparent in communicating objectives so our vision is clear across the organization, giving all of our employees a shared sense of purpose working toward the same end goal. Goals are cascaded through the organization to ensure objectives are achieved and help provide employees with focus and direction on their daily activities.

²⁷ See Supporting and Encouraging Community Involvement on page 29.

Responsible Sourcing

A firm commitment to ethical behavior is embedded in our business processes and practices.

Conflict Materials

Cohu, Inc. supports taking responsible steps to ensure that the products received from our supply chain are responsibly sourced. Furthermore, CoHu supports efforts to increase transparency in the supply chain and supports regulations that ensure companies conduct business with integrity, respect for human rights, and performance to the highest ethical standards.

At CoHu, we support efforts to prevent the use of conflict minerals that finance or benefit armed groups in The Democratic Republic of the Congo or adjoining countries. Conflict minerals include tin, tungsten, tantalum, and gold (3T&G), each of which are necessary to the production of our products. CoHu companies do not source these minerals in their raw form. These minerals are contained within certain electronic components and products that we purchase.

Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act imposes supply chain reporting requirements on publicly traded companies to promote transparency regarding the use of conflict minerals. This rule requires public companies such as CoHu to publicly disclose if any conflict minerals (defined as tantalum, tin, gold, or tungsten) are in their products and if any of these minerals originated in the Democratic Republic of the Congo (DRC) or surrounding countries. Accordingly, CoHu companies require their suppliers to submit a Conflict Minerals Reporting Declaration disclosing if any conflict minerals contained in products delivered to us.

In support of this reporting requirement, all CoHu companies maintain ongoing activities to gather information to determine if their products have any conflict minerals content. Their Management Teams are familiar with conflict minerals rules and oversee 3T&G sourcing due diligence in addition to supplementary requirements embodied within the CoHu Supplier Code of Conduct.

Material Sourcing

A de minimis portion of CoHu's manufacturing processes utilize critical materials such as cobalt, palladium and rhodium. In such cases, usage is monitored, and buffer stock is maintained, and multiple suppliers are utilized where possible.

We have recently reviewed our critical materials supply chain for potential risks arising from the Russia-Ukraine conflict and believe we have reasonably addressed any such risks. CoHu has ceased any sales and support to Russian entities. CoHu also uses generally available semiconductors (which such semiconductors may contain critical materials) in many of its systems and relies upon its suppliers to maintain a business continuity plan.

CoHu also maintains second sources where feasible. CoHu could incur supply chain disruptions if a semiconductor supplier failed to maintain an effective business continuity plan and CoHu was unable to maintain a second source.

Supplier Code of Conduct

CoHu and all of its affiliated business units are dedicated to conducting business in an ethical, legal, and socially responsible manner. CoHu expects its suppliers to share this commitment by complying with the CoHu Supplier Code of Conduct. In addition to adherence to legal requirements, the Code addresses subjects that are intended to encourage suppliers to advance environmental, social and environmental responsibilities, and business ethics throughout its operations. CoHu's Supplier Code of Conduct has been signed by over 500 suppliers, representing approximately 80% of CoHu's total annual supplier spend. CoHu also participates in the Responsible Business Alliance (RBA) and adheres to the RBA Code of Conduct for our operations and as our Supplier Code of Conduct.

Information Security Risk Management

Ensuring high standards of confidentiality, integrity, and availability of information.

Cybersecurity

Cohu has a multifaceted information security program with the goal of continuous improvement. The company conducts regular external audits and benchmarking based on the CIS (Center for Internet Security) and NIST (National Institute for Standards and Technology) control frameworks.

Board Oversight

Board oversight of information security matters is the responsibility of the company’s Audit Committee. In 2023, management briefed the Board of Directors on information security matters four times. In addition to our scheduled meetings, the Audit Committee maintains an ongoing dialogue with management, including emerging or potential cybersecurity risks.

No Material Breaches

Cohu maintains an information security risk insurance policy. In the last three years, there have been no material information security breaches, claims, expenses, penalties, or settlements.

Employee Training

Members of our corporate information security organization receive information exchanges from their professional networks and attend training, webinars, and conferences to stay up to date on both trends and system-specific updates. In addition, all CoHu employees are required to complete regular security awareness training including testing, each of which is designed to promote a company-wide culture of cybersecurity risk awareness and management.



Cybersecurity Incident Response Team (“CIRT”)

Cohu’s corporate information security organization manages and regularly enhances our enterprise security structure with the goal of preventing cybersecurity incidents to the extent feasible, while simultaneously increasing our system resilience in an effort to minimize the business impact should an incident occur. Central to this organization is our CIRT who is responsible for the protection, detection and response capabilities used in the defense of CoHu’s data and enterprise computing networks.

In the event of an incident, employees are trained to follow our incident response plan, which outlines steps to be followed from incident detection to mitigation or eradication, recovery and notification, including communication protocols with key functional areas, as well as the CEO, Chairperson of the Board of Directors and Chairperson of the Audit Committee, and other members of the Board, as appropriate.



Sustainability Goals



2024 Sustainability Goals

We have updated our corporate sustainability goals.

We endeavor to ensure the safety of our colleagues, customers and business partners, and we strive to operate our business in an environmentally responsible way to conserve the world’s natural resources. To encourage action and continuous improvement within our global organization, we annually update and publish our corporate sustainability goals. We look forward to engaging with our stakeholders on our progress going forward.

Climate Change

Topic	Goal	2023 Results
(1) Reduce GHG emissions	Review strategies to reduce GHG emissions at our principal operating sites.	<p>Scope 1 and 2 emissions were approximately 11,865 metric tons CO2-e for all global locations. We believe the increase over 2022²⁸ was primarily driven by the acquisition of an additional manufacturing site during the year, in-process construction of our new Laguna, Philippines facility, and use of more accurate country-specific emissions factors.</p> <p>Subsequently, in February 2024, we committed to engage with the Science Based Targets initiative (“SBTi”) with the goal to develop near-term science-based emissions reduction targets.</p>
(2) Renewable energy sources	Investigate renewable electricity energy sources on-site and off-site.	We increased our use of renewable energy sources. 32% (5.8M kWh) of grid electricity energy usage was derived from renewable sources.
(3) Infrastructure	Invest in more energy-efficient facility infrastructure technology.	<p>With the goal to reduce employee travel (and associated Scope 3 emissions), we continue to utilize our assisted reality customer support system, used for remote technical support and training, and in 2023, we avoided 174K km in employee travel. Further, at the beginning of 2023, we converted our Osaka, Japan manufacturing site to an electricity energy provider that utilizes 100% renewable energy. We replaced the air compressor equipment used in Poway, California, development and production processes. This new energy-efficient equipment is expected to save and therefore reduce the Poway site’s electricity usage by approximately 13% annually.</p> <p>Looking forward, we committed \$1.2M for 2024 solar power generation projects at our two largest manufacturing facilities in Laguna, Philippines, and Melaka, Malaysia.</p>

²⁸ 2022 emissions were 10,760 metric tons CO2-e.

Topic	Goal	2023 Results
(4) Water usage	Investigate and deploy water use reduction measures where feasible.	<p>Total water consumed was 57.9 million liters. We believe the increase over 2022 was primarily driven by building construction requirements for our new Laguna, Philippines facility, which was completed in December 2023.</p> <p>In 2023 we invested in two water conservation projects:</p> <ol style="list-style-type: none"> 1. A rainwater collection and recycling system in Laguna, Philippines, which we estimate may save up to 5% of this facility’s annual water withdrawal; and 2. A deionized water recycling system in Poway, California; the potential water savings from this system are still being evaluated.
(5) Waste management	Implement best practices in waste management to increase the amount of waste that is recycled.	<p>838K kg of paper, plastic, wood and other non-hazardous waste were recycled.</p> <p>The total amount of hazardous waste was 111K kg, of which 68% (75K kg) was recycled. All hazardous waste was handled and recycled or disposed of in accordance with local laws and regulations.</p>

Safety

Topic	Goal	2023 Results												
(1) Employee Safety	Strive for an injury-free workplace at all CoHu facilities and, in aggregate across our sites, remaining below the most recent U.S. Bureau of Labor Statistics Injury, Illness and Fatality statistics for our industry.	<table border="1" data-bbox="1885 1305 3055 1551"> <thead> <tr> <th colspan="3" data-bbox="1885 1305 3055 1358">U.S. Bureau of Labor Statistics 2022 Injury, Illness & Fatality Rates</th> </tr> <tr> <th data-bbox="1885 1358 2479 1410">Industry</th> <th data-bbox="2479 1358 2705 1410">NAICS Code</th> <th data-bbox="2705 1358 3055 1410">Total Recordable cases²⁹</th> </tr> </thead> <tbody> <tr> <td data-bbox="1885 1410 2479 1489">Instrument manufacturing for measuring and testing electricity and electrical signals</td> <td data-bbox="2479 1410 2705 1489">334515</td> <td data-bbox="2705 1410 3055 1489">1.2</td> </tr> <tr> <td data-bbox="1885 1489 2479 1551">Cohu’s 2023 Injury, Illness & Fatality Rates</td> <td data-bbox="2479 1489 2705 1551"></td> <td data-bbox="2705 1489 3055 1551">0.39</td> </tr> </tbody> </table> <p>Cohu’s 2023 recordable incident rate was 0.39, or 67% lower than our industry benchmark incident rate.</p>	U.S. Bureau of Labor Statistics 2022 Injury, Illness & Fatality Rates			Industry	NAICS Code	Total Recordable cases ²⁹	Instrument manufacturing for measuring and testing electricity and electrical signals	334515	1.2	Cohu’s 2023 Injury, Illness & Fatality Rates		0.39
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Cohu’s 2023 Injury, Illness & Fatality Rates		0.39												

²⁹ The incident rates represent the number of injuries and illnesses per 100 full-time workers and were calculated as: (N/EH) x 200,000 where N = number of injuries and illnesses. EH = total hours worked by all employees during the calendar year 200,000 base for 100 equivalent full-time workers (working 40 hours per week, 50 weeks per year).

Diversity, Equity, and Inclusion

Topic	Goal	2023 Results
<p>(1) Racial/ethnic group representation of employees</p>	<p>For U.S. employees, maintain excellent record of diversity among U.S. employees.</p>	<p>At year-end 2023, 40% of U.S. employees identify from underrepresented communities, while among 2023 new hires 41% identify as from underrepresented communities.</p> <p>At year-end 2023, CoHu’s Board of Directors had 2 members who identify from underrepresented communities (25% of total).</p>
<p>(2) Female representation</p>	<p>Continue to increase female representation in the global workforce and our management team. Strive for global new hire representation to be greater than current incumbent employee female representation.</p>	<p>At year-end 2023, female representation was 29%, while among 2022 new hires female representation was 29%.</p> <p>At year-end 2023, CoHu’s Board of Directors had 2 female members (25% of total). Our Board values ethnic, cultural, gender, economic, professional, and educational diversity in evaluating new Board candidates and seeks to incorporate a wide range of these attributes within CoHu’s Board.</p> <p>Consistent with these values, the Board has ongoing initiatives as it seeks to further diversify itself.</p>

Innovation

Topic	Goal	2023 Results
(1) R&D investment	R&D investment ³⁰ at least 35% of total Operating Expenses.	R&D expense as a percentage of total Operating Expenses was 34%.
(2) Patents	Protect IP and pursue patents as appropriate.	14 patents applied; 16 patents issued.

³⁰ Based on GAAP Operating Expenses, but excluding Applications Engineering for semiconductor tester products.



Appendices



Task Force on Climate-Related Financial Disclosures (“TCFD”)

TCFD recommendations are designed to solicit consistent, informative and actionable, forward-looking information on the material financial impacts of climate-related risks and opportunities, including those related to the global transition to a lower-carbon economy.

Topic	Recommended Disclosure	Response
<p>(1) Governance</p>	<p>A) Describe the Board’s overall oversight of climate-related risks and opportunities.</p>	<p>Cohu’s Board of Directors Nominating and Governance Committee is responsible for oversight of the company’s sustainability (including environmental/climate-change related, social and corporate governance) initiatives. As part of this responsibility, the Committee regularly reviews our sustainability program. Management presented Sustainability matters to the Board four (4) times in 2023. The Board also reviews annually the company’s Enterprise Risk Assessment (“ERA”), wherein management identifies and considers mitigation strategies to address potential risks facing the company (including climate-related risks and opportunities).</p>
	<p>B) Describe management’s role in assessing and managing risks and opportunities.</p>	<p>Cohu’s management is responsible for the company’s enterprise risk management processes (including climate-related risks and opportunities).</p> <p>As mentioned above, Cohu maintains, updates and presents annually to the board of directors an ERA, which includes sustainability considerations. Our ERA addresses 24 potential risks, oversight and mitigation strategies. In addition, we seek input from senior management and other stakeholders regarding key topics that we should consider as we progress our sustainability initiatives.</p> <p>After evaluating the foregoing inputs, we have consolidated and determined 12 major topics that we believe are most relevant and material to our business. The 12 topics have been organized into three categories: Environmental, Social and Economic. We then assessed and ranked each topic by Cohu’s ability to reasonably control the topic, and what could be the estimated potential magnitude of adverse impact on the business from such topic.</p> <p>Our business and the global economy evolve rapidly and we will continue to seek input from our stakeholders regarding potential other topical risks facing our business. Please note that this section is not intended to be risk factor disclosure – for a more complete set of risks facing the company, please refer to our most recent Forms 10-K and 10-Q as filed with the SEC.</p> <p>More specifically regarding sustainability, Cohu has a global, cross-functional team that develops the long-term strategy, goals, metrics tracking, and annual reporting and disclosure processes for our sustainability activities. The team also collectively prepares Cohu’s Sustainability Report and related disclosures. This group regularly solicits input from, and reviews results with, our CEO, CFO and executive staff members.</p>

Topic	Recommended Disclosure	Response
<p>(2) Strategy</p>	<p>A) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.</p>	<p>We analyze climate change-related risks in two separate categories: transition risks and physical risks. We focus on the short-term (0-3 years) and medium-term (3-5 years) because we believe that enables us to take more pragmatic and tangible actions based on known or reasonably predictable facts and circumstances.</p> <p>Transition Risks: Relate to the transition of the global economy to a focus on more climate-friendly technologies. This transition could have adverse financial impacts on us in several ways. For instance, more stringent environmental policies or regulations could lead to increased expenses relating to greenhouse gas emissions or other emissions that could increase our operating costs. Enhanced emissions reporting or shifting technology could require us to write off or impair assets or retire existing assets early. Increased environmental mandates could also increase our exposure to litigation. We could be required to incur increased costs and significant capital investment to transition to lower emissions technologies. In addition, overall market shifts could increase costs of our raw materials and cause unexpected shifts in energy costs. Focus on sustainability has increased, and the company or its industry could be stigmatized as not friendly to the environment, which could adversely affect our reputation and our business, including due to difficulties in employee hiring and retention and our ability to access capital. Any of these matters could materially and adversely affect our business or financial results.</p> <p>In response to potential Transition Risks, we follow regulatory trends on a worldwide basis and seek engagement and input from our stakeholders. Our goal has been to continuously enhance our sustainability disclosures so that we are better prepared to respond to the changing regulatory environment.</p> <p>Physical Risks: Arise from climate change that could affect our business including acute weather events such as floods, tornadoes or other severe weather and ongoing changes such as rising temperatures or extreme variability in weather patterns. These events could lead to increased capital costs from damage to our facilities, increased insurance premiums or reduced revenue from decreased production capacity based on supply chain interruptions. Any of these events could have an adverse effect on our business or financial results.</p> <p>In response to potential Physical Risks, we maintain business continuity plans at each operating site. In 2023 and continuing in 2024 we have engaged with outside risk management experts to assess resilience of our primary manufacturing facilities in the event of a severe event, such as acute weather, floods, fires or earthquakes. Although all of CoHu facilities meet or exceed code and local safety standards, after such analysis, CoHu is committing approximately \$3.7M in capital expenditures to further enhance our business resilience at key operating sites.</p>

Topic	Recommended Disclosure	Response
		<p>In considering opportunities, we recognize that our energy use and emissions are primarily driven by our real estate footprint and number of operating sites. Since, 2019 we have reduced the number of principal operating sites from 14 to 10 (this figure increased to 11 with the acquisition of EQT in October 2023). Further, we have completed construction of a new state-of-the-art manufacturing facility in Laguna, Philippines and will consolidate two manufacturing sites into this new building.</p> <p>In addition, we regularly consider and implement initiatives, including enabling others to reduce emissions with the goal to reduce our overall energy use and emissions and the emissions of others. The following are examples:</p> <ul style="list-style-type: none"> i. As discussed above under “Product Lifecycle Management,” we have numerous customers that provide semiconductor solutions to manage and reduce power consumption and enable solar and wind power generation. We support these important technologies including power management devices, controllers, inverters, sensors, motor drivers and gate drivers. We are proud to be a key supply chain partner to these customers. ii. Where locally available and feasible, we endeavor to seek utility providers that utilize sources of renewable energy. At the beginning of 2023, we converted our Osaka, Japan manufacturing site to an energy provider that utilizes 100% renewable energy. iii. With the goal to reduce employee travel (and associated Scope 3 emissions), we continue to utilize our assisted reality customer support system, used for remote technical support and training, and in 2023, we avoided 174,000 km in employee travel. iv. We have committed \$1.2M for 2024 solar power generation projects at our two largest manufacturing facilities, Melaka, Malaysia and Laguna, Philippines. v. We replaced the air compressor equipment used in Poway, California, development and production processes. New energy-efficient equipment is expected to save and therefore reduce the site’s electricity usage by approximately 13% annually. vi. Regarding water use, in Laguna, Philippines we have deployed a rainwater collection and recycling system, which we estimate may save up to 5% of the facility’s annual water withdrawal. In Poway, California, we installed a deionized water recycling system (the potential water savings from this system are still being evaluated).

Topic	Recommended Disclosure	Response
	<p>B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.</p>	<p>In considering potential impacts of climate-related risks, we define substantive financial and strategic impacts to include: material cost increases in items such as electrical power, water and other inputs for our operations that may arise from climate-related issues; regulatory changes that arise from climate-related issues that can give rise to expenses for compliance and required changes to operations; extreme weather events such as earthquakes, high winds, rain/floods and wildfires which can disrupt operations, cause outages or increase utilization of electrical power. Generally, from a sales perspective, we would deem a substantive impact in the event of an occurrence impacting greater than 2% of annual revenue with a 75% or greater probability of occurrence. From a cost perspective, generally, we would deem a substantive impact in the event of an occurrence impacting greater than 2% of annual operating expenses with a 75% or greater probability of occurrence.</p> <p>Based on the foregoing definition, we do not see anything on the short or medium-term climate-related horizon that would have a substantive negative affect on our business. We reevaluate this conclusion at least annually as part of our ERA process. Notwithstanding this conclusion, we continue to make significant investments to mitigate potential risks. Internally, each year, the company considers capital and operating expenses as needed to support our Sustainability activities. For example, expenses for the projects described above under "TCFD (2) A) Strategy." These projects alone, to mitigate risk and pursue opportunities, comprise an approximate investment of \$5M.</p>

Topic	Recommended Disclosure	Response
	<p>C) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Based on our ERA process, we believe the most material climate-related risks facing the company are Physical Risks, such as acute weather events (floods, tornadoes or other severe weather and ongoing changes such as rising temperatures or extreme variability in weather patterns or increased fire risk). We consider scenarios in which any of our principal operating sites could be unable to operate and how we would then respond. In considering such scenarios, we endeavor to further improve our business resiliency through:</p> <ul style="list-style-type: none"> i. Evaluation of most likely physical risks facing each operating site and business continuity plans to address those risks; ii. Redundant sites and expertise where manufacturing production could be moved quickly if necessary; iii. Supply chain redundancy, buffer stock and business continuity reviews with key suppliers; iv. Engaging with outside experts to review our sites and significant investments to continue to enhance our business resiliency. See “TCFD (2) A) Strategy;” v. Maintaining infrastructure that enables most non-manufacturing employees to effectively work remotely; and vi. Global insurance program to mitigate financial losses in the event of a covered natural disaster. <p>We believe that these actions foster business resiliency; however, we also recognize that it is not possible to eliminate all potential resiliency risks.</p>

Topic	Recommended Disclosure	Response
<p>(3) Risk Management</p>	<p>A) Describe the organization’s processes for identifying and assessing climate-related risks.</p>	<p>The Board’s oversight, management’s responsibilities and the related processes are described above under “TCFD (1) Governance A) and B).”</p>
	<p>B) Describe the organization’s processes for managing climate-related risks.</p>	<p>We manage such risks as described above under “TCFD (2) Strategy A) and C).”</p>
	<p>C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.</p>	<p>As discussed above in “TCFD (1) Governance A) and B)”, such risks are addressed (including mitigation strategies) in our site business continuity plans and our annual Enterprise Risk Assessment (which is also presented annually to the Board). Further, climate-related risks are considered as part of our business resilience initiatives across our global supply chain. “See TCFD (2) Strategy C).”</p>

Topic	Recommended Disclosure	Response
<p>(4) Metrics and Target</p>	<p>A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>We disclose our energy and water use, emissions data and recycling initiatives annually in this report and also through the CDP Climate Change Survey and Supply Chain module. We made our 2023 CDP filing public and expect to publicly disclose our 2024 submission as well. See https://www.cohu.com/company-corporate-sustainability/.</p>
	<p>B) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>See within this report.</p>
	<p>C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>We expect to monitor and report at least annually on the various initiatives described above under “TCFD (2) Strategy.” We annually update and publish our Sustainability goals. In addition, in February 2024, we committed to engage with the Science Based Targets initiative (“SBTi”) with the goal to develop near-term science-based emissions reduction targets.</p>

Sustainability Accounting Standards Board ("SASB")

SASB Standards provide details about Cohu's sustainability activities. These standards were developed to identify sustainability issues that can influence the long-term value of the company.

Topic	Metric	Response
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions and (2) amount of total emissions from perfluorinated compounds. Category: Quantitative Cohu Unit of Measure: metric tons CO2-e Code: TC-SC-110a.1	Scope 1: 1,370 metric tons CO2-e Scope 2: 10,495 metric tons CO2-e Gases: Refrigerants: 987 CO2-e: 0.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets. Category: Discussion and Analysis Cohu Unit of Measure: n/a Code: TC-SC-110a.2	See above under "TCFD (2) Strategy."
Energy Management in Manufacturing	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable. Category: Quantitative Cohu Unit of Measure: kWh, Percentage (%) Code: TC-SC-140a.1	Reported in kWh: <u>20M kWh</u> Grid electricity consumed was <u>92%</u> of total energy use. <u>32%</u> of electricity consumed was derived from renewable sources.

Topic	Metric	Response
Water Management	<p>(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress</p> <p>Category: Quantitative CoHu Unit of Measure: liters Code: TC-SC-320a.1</p>	<p>Cohu only tracks total water withdrawn, which in 2023 was <u>57.9 million liters</u>. Water withdrawn in regions with High or Extremely High Baseline Water Stress (and percentage of total global withdrawals): Laguna, Philippines (39%); Lincoln, Rhode Island, USA (1%); Norwood, Massachusetts, USA (2%); Poway, California, USA (4%).</p>
Waste Management	<p>Amount of hazardous waste from manufacturing, percentage recycled.</p> <p>Category: Quantitative CoHu Unit of Measure: kg, Percentage (%) Code: TC-SC-320a.1</p>	<p><u>110.6K kg</u>, of which <u>68%</u> was recycled.</p>
Employee Health and Safety	<p>Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards.</p> <p>Category: Discussion and Analysis CoHu Unit of Measure: recordable incident rate Code: TC-SC-320a.2</p>	<p>See CoHu’s Employee Health and Safety Policy.</p> <p>Cohu has a documented health and safety management system. We conduct hazard assessments and risk assessments. Incidents, injuries, and illnesses are reported, tracked, and investigated. Occupational health services are available at specific sites where applicable. We conduct safety meetings with worker participation, and education and training are performed regularly.</p> <p>Cohu’s 2023 recordable incident rate per 100 employees per year was <u>0.39</u>, or 67% lower than our industry benchmark of 1.2.³¹</p> <p>The recordable incident rate for contractors was 0.0.</p>
	<p>Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations.</p> <p>Category: Quantitative CoHu Unit of Measure: Reporting currency Code: TC-SC-330a.1</p>	<p>None.</p>

31 See note 8 above.

Topic	Metric	Response
Recruiting & Managing a Global & Skilled Workforce	<p>Percentage of employees that are (1) foreign nationals and (2) located offshore.</p> <p>Category: Quantitative Cohu Unit of Measure: Percentage (%) Code: TC-SC-410a.1</p>	<p>A substantial majority of our customers' sites are located outside of the U.S. Accordingly, in support of our customer base, CoHu has 2,628 employees that are located outside of the U.S., or <u>82% of total employees</u>.</p>
Product Lifecycle Management	<p>Percentage of products by revenue that contain IEC 62474 declarable substances.</p> <p>Category: Quantitative Cohu Unit of Measure: n/a) Code: TC-SC-410a.2</p>	<p>Cohu uses different metrics for evaluating risk, performance and compliance in this area. Although as a manufacturer of "large-scale stationary industrial tools," we are exempted from EU guidelines such as the RoHS directive and REACH regulation, we consider these guidelines in the development programs. We endeavor, where reasonably practicable, to reduce and eliminate any use of hazardous substances and replace non-compliant parts with RoHS-compliant alternatives.</p>
	<p>Processor energy efficiency at a system-level for: (A) servers, (B) desktops, and (C) laptops.</p> <p>Category: Quantitative Cohu Unit of Measure: Various, by product category Code: TC-SC-440a.1</p>	<p>Cohu manufactures semiconductor capital test equipment for semiconductor manufacturers. All of our sales are "Business-to-Business" and we do not manufacture end-use/consumer products.</p> <p>We sell large complex systems and consider energy usage in our product designs. For example, our tester designs, unlike our competition, are all based on air-cooled technology. An air-cooled system, on average, requires less floor space and uses approximately 75% less electricity than a comparable liquid-cooled system.</p>
Materials Sourcing	<p>Description of the management of risks associated with use of critical materials.</p> <p>Category: Discussion and Analysis Cohu Unit of Measure: n/a Code: TC-SC-520a.1</p>	<p>See CoHu's Annual Conflict Minerals Report filed with the SEC.</p>

Topic	Metric	Response
Intellectual Property Protection & Competitive Behavior	<p>Total amount of monetary losses as a result of legal proceedings associated with intellectual property protection or anti-competitive behavior regulations.</p> <p>Category: Quantitative Cohu Unit of Measure: Reporting currency Code: TC-SC-520a.1</p>	None.
Total production	<p>Category: Quantitative Cohu Unit of Measure: installed systems Code: TC-SC-000.A</p>	Cohu has approximately 24,700 installed systems at 280+ customer locations world-wide.
Percentage of production from owned facilities	<p>Category: Quantitative Cohu Unit of Measure: n/a Code: TC-SC-000.B</p>	Omitted: Cohu does not disclose this information.

Stakeholder Engagement Summary

Cohu engages with internal and external stakeholders to drive our sustainability goals and priorities. We have identified five major stakeholders who have interests in Cohu’s sustainability: our employees, customers, investors, suppliers, and community. Cohu collaborates with these stakeholders by listening to their feedback and expectations to help guide the implementation of our sustainability initiatives actions. We are pleased to present our 2023 engagement summary and highlights.

Topic	Engagement	Key Topics	2023 Highlights
<p>Employees</p>	<ul style="list-style-type: none"> • All-hands meetings • Small group and one-on-one meetings • Goal setting and mid-year and year-end performance assessments • Training and workshops • Executive e-mails and videos • Cohu ethics hotline 	<ul style="list-style-type: none"> • Culture • Communication • Capability development and training 	<ul style="list-style-type: none"> • Produced 4 quarterly videos with CEO/CFO presentations and executive interviews. • 56 “all hands” meetings held across global functional areas and business units. • Annual corporate objectives cascaded throughout the organization. • Regular executive leadership emails to global employees discussing organization changes or key leadership hires • “Innovation Weeks” held at handler development centers to spur creative thinking, alignment, and engagement with employees. • In support of the goal to foster employee engagement, conducted a worldwide employee engagement survey to monitor employee satisfaction. • Periodic CEO skip-level meetings at principal operating sites • \$4.7M returned to employees in 2023 profit sharing. • Provided more than 51,700 cumulative training hours to employees globally investing approximately \$924,000 in training, seminars, and educational assistance fees. • Initiated Emerging Leaders Program for more than 200 participants.

Topic	Engagement	Key Topics	2023 Highlights
Customers	<ul style="list-style-type: none"> • In-depth training on product use and safety • Responsive customer service team • Participation in compliance programs and sustainability initiatives 	<ul style="list-style-type: none"> • Training • Sustainability Initiatives • Compliance • Strategic Engagement on Product Roadmaps 	<ul style="list-style-type: none"> • Held approximately 106 customer training classes worldwide covering product use and safety topics. • Completed a Responsible Business Alliance (RBA)³² audit at one of our principal manufacturing sites, Laguna, Philippines, with no findings, and we achieved RBA’s highest rating of Platinum with a Validated Assessment Program (VAP) score of 200. • In support of key customer sustainability initiatives: <ul style="list-style-type: none"> • submitted extensive compliance data to RBA • submitted our emissions data to CDP.³³
Investors	<ul style="list-style-type: none"> • Annual Shareholder Meeting • Quarterly earnings calls • Investor Conferences and roadshows 	<ul style="list-style-type: none"> • Business Strategy and Outlook • Financial Results • Capital Priorities 	<ul style="list-style-type: none"> • Conducted approximately 242 one-on-one investor and prospective investor meetings, including 12 of our top 25 shareholders.
Suppliers	<ul style="list-style-type: none"> • Supplier screening, questionnaires • Supplier visits and audits • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Transparency • Capacity • Forecasting 	<ul style="list-style-type: none"> • Held QBRs with key suppliers. • Supplier Code of Conduct signed by over 500 suppliers, covering approximately 80% of CoHu annual supplier spend. • CoHu’s Supplier Code of Conduct aligns with RBA principles. • Conducted periodic on site audits for new fabrication part and contract manufacturers. • To reduce transit expenses (and associated emissions), “near shoring” efforts are increasing localized material content being shipped to our Melaka, Malaysia facility.

³² Responsible Business Alliance, an industry coalition dedicated to responsible business conduct in global supply chains.

³³ CDP, formerly the Carbon Disclosure Project, is a third-party global disclosure system for environmental reporting.

Topic	Engagement	Key Topics	2023 Highlights
<p>Community and Organizations</p>	<ul style="list-style-type: none"> • Partnerships • Promotion of shared principles • Disaster relief • Volunteering 	<ul style="list-style-type: none"> • Diversity and Inclusion • Donations/Volunteering 	<ul style="list-style-type: none"> • We endeavor to continually to seek diversity in our candidate pools and new hires. Hired a greater percentage of U.S. employees who identify as from underrepresented communities than our current representation of 40%. • In March 2024, we launched a diversity, inclusion and belonging training series for employees. • CoHu’s Philippines location donated PHP200,000 to Cancer Warriors Foundation, Inc. In addition, they also organized a tree-planting activity, planting 85 tree saplings with the Boy Scouts of the Philippines. • CoHu’s Malaysia location donated RM5,000 to Rumah Seri Kenangan, an organization committed to the local aging community, in addition to volunteering their time to visit the organization and hold social activities. • CoHu’s Minnesota, U.S. location donated diapers, tissues, bedding, toilet paper, and more, to People Serving People an emergency shelter organization. In addition, they also volunteered during United Way’s Day of Action to spend their time sorting supplies and packing backs to assist local students in need.

Forward-Looking Statements

Certain statements contained in this report and accompanying materials may be considered forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, including statements regarding risk management strategies for compliance, cybersecurity and critical materials, sustainability goals, metrics and objectives, diversity goals, climate-related and emissions goals, forecasted projects or consumption reduction targets, water savings, completion of solar projects, business resilience, magnitude of any business of financial impact of climate-related change, and any other statements that are predictive in nature and depend upon or refer to future events or conditions, and/or include words such as “may,” “will,” “should,” “would,” “expect,” “anticipate,” “plan,” “likely,” “believe,” “estimate,” “project,” “intend,” and/ or other similar expressions among others. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties and are not guarantees of future performance. CoHu has taken reasonable efforts to review this data; however, manually collecting, converting and consolidating data from various sites around the world is complex and human errors may occur. This report is not audited by any third party. We voluntarily make this data available as we believe it is of general interest to our stockholders, but provide this report on an “as is” basis with no warranty whatsoever as to its accuracy. Our voluntary filing of this report does not represent CoHu’s agreement or acknowledgment that the data provided herein is material (as defined by the SEC) to our overall business or to a reasonable investor’s investment decision. Further, we do not assume any obligation to update this report after its publication.

Actual results and future business conditions could differ materially from those contained in any forward-looking statement as a result of various factors, including, without limitation: sustainability projects may be delayed, canceled or fail to achieve expected goals; diversity initiatives merely reflect organizational intention and may not be achieved; new product investments and product enhancements which may not be commercially successful; the semiconductor industry is seasonal, cyclical, volatile and unpredictable; recent erosion in mobile, automotive and industrial market sales; our ability to manage and deliver high quality products and services; failure of sole source contract manufacturer or our ability to manage third-party raw material, component and/or service providers; ongoing inflationary pressures

on material and operational costs coupled with rising interest rates; economic recession; the semiconductor industry is intensely competitive, subject to rapid technological changes, and experiences consolidation of key customers for semiconductor test equipment; a limited number of customers account for a substantial percentage of net sales; significant exports to foreign countries with economic and political instability and competition from a number of Asia-based manufacturers; our relationships with customers may deteriorate; loss of key personnel; risks of using artificial intelligence within CoHu’s product developments and business; reliance on foreign locations and geopolitical instability in such locations critical to CoHu and its customers; natural disasters, war and climate-related changes, including related economic impacts; levels of debt; access to sufficient capital on reasonable or favorable terms; foreign operations and related currency fluctuations; required or desired accounting charges and the cost or effectiveness of accounting controls; instability of financial institutions where we maintain cash deposits and potential loss of uninsured cash deposits; significant goodwill and other intangibles as percentage of our total assets; increasingly restrictive trade and export regulations impacting our ability to sell products, specifically within China; risks associated with acquisitions, investments and divestitures such as integration and synergies; constraints related to corporate governance structures; share repurchases and related impacts; financial or operating results that are below forecast or credit rating changes impacting our stock price or financing ability; law/ regulatory changes and including environmental or tax law changes; significant volatility in our stock price; the risk of cybersecurity breaches; enforcing or defending intellectual property claims or other litigation.

These and other risks and uncertainties are discussed more fully in CoHu’s filings with the SEC, including our most recent Form 10-K and Form 10-Q, and the other filings made by CoHu with the SEC from time to time, which are available via the SEC’s website at www.sec.gov. Except as required by applicable law, CoHu does not undertake any obligation to revise or update any forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.